<u>Hertfordshire Pension Fund (HPF) – Admitted Body Guidance</u>

Below you will find information and guidance on the process, including what you, as a contractor, need to be aware of and next steps.

1. **Formal request for admission to the HPF**

Once the contractor has made the decision to access the Local Government Pension Scheme (LGPS), the following documents must be completed and returned to us. Please note, we will not progress admission to the Fund unless all documents are completed fully.

- Admitted Body Application Form
- The appendix (pg 8 to 10) of the 'Admission Delays Agreement Policy'
- The 'TUPE membership data spreadsheet' which must include all staff whose terms and conditions are protected under the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE). *All eligible staff should be included whether they are current members of the pension scheme or not. This is so their right for admission to the LGPS is preserved should they wish to join at a future date.*

The documents provide us with a formal request for admission and provides the basic information that is required to draft the Admission Agreement.

The following key questions will need to be resolved between the outsourcing employer and the contractor before completing the application form:

- **Guarantor or bond?**
  Under the regulations the outsourcing employer must act as a guarantor for the future liabilities of the contractor, if these were not able to be met by the contractor. The outsourcing employer may request the contractor to provide a bond to act as surety against non-payment of liabilities. A copy of our Charging Policy can be provided upon request for a list of associated fees.

- **Open or closed agreement?**
  An open agreement allows future employees to be admitted to the LGPS, whereas a closed agreement only enables the transferring members of staff to be admitted. This is confirmed by annexing a list of staff to the Admission Agreement.

- **Actuarial fees?**
  Who will bear the costs if an actuarial valuation is required to determine the initial employer contribution rate & bond and opening funding position? If incorrect membership data is provided to us there may be additional fees which will also be recharged to the outsourcing employer or contractor (depending on the agreement between the parties). A copy of our Charging Policy can be provided upon request for a list of associated fees.

- **Legal Fees?**
  Who will bear the legal costs? Once the above has been agreed and we have received confirmation to proceed, our legal representatives will work together with the contractor to draw up the Admission Agreement. The legal fees are approximately £85 per hour and the total amount is dependent on the time taken for completion of the Admission Agreement.

The completed 'Admitted Body Application Form' and the appendix of the 'Admission Agreement Policy' should be returned to hertsfundemployers@hertfordshire.gov.uk

The 'TUPE Membership Data' excel spreadsheet must be returned to us by a secure method. Please contact us if you need assistance with this. Further information on the expectations for data sharing can be found within our Memorandum of Understanding for Scheme Employers.

Confirmation via email to hertsfundemployers@hertfordshire.gov.uk that you agree to the costs to join the Hertfordshire Pension Fund is also required.

2. **Validation of membership data and actuarial calculation of employer contribution rate**

The Local Pensions Partnership Administration (LPPA), our pensions administration service provider, will check the membership data and liaise with the contractor and outsourcing employer to resolve any queries. Once the data has been validated, then, where required, this will be sent to our actuary for the calculation of an employers' opening funding position, contribution rate, and value of any Bond, if required.

Once the actuarial report is made available this will be shared with the contractor and the outsourcing employer for information. We will then require confirmation to proceed with the drafting of the Admission Agreement and Bond template.

Important note: any members paying additional pension contributions (other than their normal monthly LGPS pensions contributions), in respect of either Additional Voluntary Contributions (AVCs) or Additional Pension Contributions (APCs) must have their contracts ceased the day before TUPE. The contractor must then ensure their payroll provider is made aware and inform affected members. However, members may set up new contracts if they wish. Further information can be found on LPPA's website and the Fund's website.

3. **Admission Agreement and Bond template**

When confirmation to proceed with the admission has been received, our legal representatives and the contractor will work together to execute the Admission Agreement. Where necessary, a bond template will be issued to the contractor so that they can procure a financial bond.

Timescales for completion of this stage will depend on the speed of the legal service team and the ability of the contractor to secure a bond, if required, and any other complexities which may arise. As mentioned earlier this work is chargeable to either the contractor or outsourcing employer, depending on the agreement reached between the two parties.

In the meantime, the contractor is required to collect the employee's monthly pension contributions and hold this money in a secure account until the Admission Agreement has been completed. The most recent employee contribution bands can be found on the LPPA website.

4. Induction as a new Scheme Employer

Following the execution of the Admission Agreement and provision of any Bond, the contractor will receive a welcome email from us outlining next steps and how to access resources to ensure they are able to meet their responsibilities as a scheme employer with the HPF.

5. Service Contract

Finally, please provide a copy of the service contract between the outsourcing employer and the contractor. This will enable us to better understand the terms of the TUPE and allow the Admissions Agreement' to be drafted in line with what is required.

We hope that this provides some useful guidance and information with regards to the Admitted Body process. Before a final decision is made to seek admission to HPF, we strongly recommend that the organisation appraises itself of the Scheme Employers' responsibilities and administrative responsibilities set out in the policy and guidance documents accessible on our website.